

## ACTIF Final Completion Report

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P F Tracking Number:	<b>ACT-STA-009-001</b>
Title of Activity:	<b>To expand market access to promote trade in African cotton, textiles and apparel</b>
Start Date of Reporting Period:	<b>September 2009</b>
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## **1. Program Background**

The African Cotton & Textile Industries Federation (ACTIF) was formed to promote trade and increase market access for the cotton, textile and apparel industry in Africa. This Mission is informed by its Vision which is, “an integrated cotton textile and apparel industry that effectively competes on the world market.”

The goal of ACTIF is increased trade in African cotton, textiles and apparel. This goal will be realized through the attainment of the organization’s strategic objectives which are:

- i. To promote trade in African cotton, textiles and apparel;
- ii. To expand market access;
- iii. To establish a market information system;
- iv. To promote the development of policies that are supportive to trade;
- v. To provide an institutional framework for the development of the cotton, textile and apparel industry in Africa; and
- vi. To enhance private sector involvement in regional policy formulation and implementation.

## **2. Objectives of the Grant**

The following were the objectives of the project activities under this Grant:

1. To strengthen ACTIF institutional capacity to carry out its mission and provide services to members
2. To be the catalyst for effective public/private partnerships, promotion of regional dialogue, consensus building, increased communication and creating an enabling environment for the growth of the cotton, textile and apparel industries that will positively impact on trade and development.
3. Promote the regional value chain approach to the development of intra-regional trade, create market linkages, exploit the opportunities afforded by existing trade agreements, develop effective use of market and economic data, and create an interactive trading platform to enhance trade in both regional and global markets.

To assume a regional leadership role in regional and global trade policy deliberation, help establish an enabling policy environment that will exploit the latent potential in intra-regional trade, build the capacity of the private sector in policy formulation, increase its ability to negotiate and seek trade advantages, and to develop unified regional positions.

### 3. Accomplishments

Activity & Objectives	Period	Summary of accomplishments	Evaluation
<p>1. Staff recruitment</p> <p><b>Objective:</b></p> <p>To recruit qualified staff for the purposes of running the ACTIF secretariat</p>	<p>From Nov 2009</p>	<p>Done –all staff required at the secretariat according to the budget are onboard. The initial team included: Executive Director, Program Manager, Information Systems Manager, Accounts Manager, Administration Manager, Administration Assistant, 2 Office Assistant. However as at 31<sup>st</sup> December 2011, the staff level is down to 5 owing to some who left as reductions owing to budgetary constraints. The Current Staff include: Executive Director, Trade Policy &amp; ICT Manager, Accounts Manager, Administrative Assistant and one office Assistant.</p>	<p>Some adjustments had to be made to the staff level and structure along the way but the team was successfully set up and are progressing well.</p>
<p>2. Stake holders meeting, Tanzania</p> <p><b>Objective:</b></p> <p>Mount at least one workshop on trade promotion capacity building for National Associations in collaboration with COMPETE programme</p>	<p>Nov 2009</p>	<p>The Tanzania meeting successfully worked with the value chain stakeholders to indentify the constraints in the value chain and formulated some of the ways to address them. This was the first time ACTIF brought on board the Tanzania Textile manufacturers.</p> <p>The Ethiopian meeting covered key areas for the CTA sector including Merchandising, Quality Assurance and Compliance skills imparted, and trade linkages created between the Ethiopian industries and their EAC counterparts;</p>	<p>The meetings served the purpose of strengthening collaboration and coordination with Tanzania &amp; Ethiopian textile sectors to boost the ACTIF quest for the regional supply chain.</p> <p>The need to share the regional training opportunities also came out as a result of the workshops.</p>

Activity & Objectives	Period	Summary of accomplishments	Evaluation
<p><b>3. Secretariat set up</b></p> <p><b>Objective:</b></p> <p>To complete the procurement of office equipment, office supplies to ensure secretariat operational functionality.</p>	November 2009	<p>This included acquisition of ICT equipment such as printers, computers and network hardware; office furniture and other office suppliers necessary for the running of the secretariat.</p>	<p>This was well completed and the details are included in the financial report.</p>
<p><b>4. Participation at regional &amp; international meetings</b></p> <p><b>Objective:</b></p> <p>Maintain representation at regional and international fora</p>	November 2009	<p>ACTIF sent representatives to the following events;</p> <ul style="list-style-type: none"> <li>• AGOA forum Kenya, 2009-resulted in a better understanding of the latest development from the USA Government and other stakeholders on AGOA. Gave an opportunity to meet some USA buyers to discuss investment and trade opportunities within the region and USA-result one USA buyers signed long investment agreement with Ethiopian textiles factory</li> <li>• ICAC Plenary South Africa-resulted in networking and provision of the latest global cotton trade information and statistics</li> <li>• ITMF Conference China, 2009</li> <li>• ITC –Eastern and Southern Africa training program in China-resulted in understanding of the Chinese textile industry and how to build collaborations. This resulted in Chinese investors visit to Zimbabwe to seek investment opportunities, Hong Kong Institute for Textile and Clothing is looking at possibilities of including Marketing of Africa cotton in its curriculum</li> </ul>	<p>ACTIF's profile in the regional and global scenes was significantly enhanced as a unified regional voice in the cotton, textile &amp; apparel sectors.</p> <p>This will continue to support the objective of increasing membership at corporate and associate levels</p>

		<ul style="list-style-type: none"> <li>First international Conference on Nigerian Textile Industry –resulted in ACTIF formally reaching out to the Nigerian textile industry thus fostering the interregional supply chain message in West Africa. The Nigerian Textile Manufacturers Association expressed desire to join ACTIF and they will be coming to the ACTIF AGM next year as observers</li> </ul>	
<p>5. Establish common position on AGOA</p> <p><b>Objective:</b> Develop industry consensus on AGOA modifications and produce a White Paper</p>	November 2009	Establishing a common position on the future of AGOA sustainability in SSA Africa involved numerous meetings, discussions and correspondence including consultations with the government agencies of the member countries. Several drafts were prepared along the way by ACTIF until the final position was arrived at.	A common position representing the views of all ACTIF SSA members, was finally developed, referred to as ACTIF white paper on AGOA sustainability and circulated to all members.
<p>6. COMEA CTA strategy implementation meeting, Uganda</p> <p><b>Objective:</b> To commence COMESA Industry strategy implementation</p>	November 2009	The Uganda meeting was the first of a series of proposed validation meetings being organized in collaboration with COMESA and ITC. The meeting brought together Ugandan CTA stakeholders and key government who reviewed the Ugandan national strategy along with the COMESA CTA strategy.	The meeting served well to successfully align the Uganda national CTA strategy with the COMESA regional CTA strategy, and received the government and regional commitment for its implementation

Activity & Objectives	Period	Summary of accomplishments	Evaluation
<p>7. ACTIF Board of Directors meeting</p> <p><b>Objective:</b> To discuss strategies related to AGOA.</p>	<p>By 30<sup>th</sup> November 2009</p>	<p>Two board meetings held on 3<sup>rd</sup> August in Nairobi and 17<sup>th</sup> November in Addis Ababa Ethiopia respectively, the meeting fine tuned and established a regional position on the AGOA Modification beyond 2015</p>	<p>ACTIF white paper received ratification by the board.</p>
<p>8. National level meeting, Mozambique</p> <p><b>Objective:</b></p> <p>i. Public Private consultative meeting with CTA stakeholders</p> <p>ii. ACTIF membership development</p>	<p>28th Jan, 2010</p>	<p>This was the first time ACTIF was engaged directly with the Mozambican CtC value chain stakeholders. The organization of the meeting was done in collaboration with the Mozambique Ginners Association (AAM). It was a very successful round table that has strengthened the collaboration and coordination with stakeholders in Mozambique to boost the ACTIF's promotion of the regional supply chain. The meeting was attended by both public and private sector players in the country.</p> <p>This was one of those rare Stakeholder meetings that the few textile and apparel companies in the country had an opportunity to meet with their well organized counterparts in the cotton sector thus improving collaborations between them to bolster their position in lobbying the government for better business environment.</p>	<p>The profile and role of ACTIF was introduced to the Mozambique stakeholders and considerable was expressed as a result.</p> <p>The meeting also achieved one of the goals set for the national level meetings which, is to build cooperation, interaction, and linkages within the region.</p>

Activity & Objectives	Period	Summary of accomplishments	Evaluation
9. Staff training /team building	Feb 15-16	The two day event was a worthwhile venture for the ACTIF staff as they returned to the office full of renewed energy and enthusiasm. There has been improved coordination and communication that has enhanced commitment to team work to offer better service delivery to ACTIF members.	The team building served well as a capacity building avenue for ACTIF staff and strengthen internal communication
10. National Level Meeting, Nigeria  <b>Objective:</b>  i. Introduce ACTIF and its services  ii. Promote COMESA CTA strategy  iii. Membership development	24th Feb 2010	The meeting was a follow up on the one done by the Program member last quarter. It was organised in collaboration with the cotton, textile and Clothing stakeholders in Nigeria, to discuss how to engage with the stakeholders in developing synergies to take advantage of trade opportunities within and outside the region. In-attendance was 15 private and 16 public sector stakeholders.  Key program priority areas they would like to do jointly with ACTIF are; AGOA sensitization workshop and institutional capacity building workshop.	The main milestone of the meeting was the enthusiasm exhibited by the Industry; the Nigerian Textile Manufacturers Association & Nigerian Textile Garment \$ Tailoring Employers Association, and the National Cotton Association of Nigeria decided to join ACTIF membership after the meeting.  The meeting was covered in the local media thus enhancing ACTIF's profile.
11. National Level Meeting, Swaziland  <b>Objectives:</b>  i. Introduce ACTIF and its services  ii. Promote COMESA CTA strategy	29th March 2010 Manzini Swaziland	This meeting was the first ever Cotton to clothing value chain meeting in Swaziland thus it attracted the attention of all key stakeholders that included the Government, Technoserve , private sector value chain stakeholders and the USA Ambassador to Swaziland.  During the meeting ACTIF team noted that the Swaziland textile and apparel sector has survived the	ACTIF profile was well enhanced as a regional voice for the CTA sector.  There are no private sector National Association in Swaziland but as a result of the meeting the textile and apparel stakeholders are looking at ways to revive the collapsed trade

iii. Membership development		<p>effects of the Global economic crunch better than most of the Sub-Saharan Africa due to the supportive policies of the government.</p> <p>Some of the Apparel manufactures have their own private label that is sold in the regional and local market, this is a good initiative that can be emulated by other African Countries.</p>	Association.
<b>12. ACTIF AGM/Launch</b>  <b>Objectives:</b> i. To hold the 2 <sup>nd</sup> ACTIF AGM including election of board members  ii. To formally launch ACTIF after the formation of the Secretariat  iii. To launch the merged website (actifafrica.com & cottonafrica.com)  iv. To launch the	April 2010	<p>The 2<sup>nd</sup> ACTIF AGM was held during which new Board of Directors was elected comprising of the new and old board members; these were Jaswinder Bedi (Kenya, Chairman) Danielle Wong (Mauritius, V. Chairman), Kassaye Mekuria (Ethiopia, Treasurer), Jolly Sabune (Uganda), John Hargreaves (Madagascar), Robin (Zimbabwe)</p> <p>Jack Kipling (South Africa, Nominated) Barry Fisher (USAID COMPETE, Nominated).</p> <p>The ACTIF Launch was very successfully attended by the Kenyan Prime Minister Right Honorable Raila Amollo Odinga and the AU Commission Deputy Commissioner His Excellency Mr. Erastus Mwencha.</p> <p>The Launch activities that included the origin Africa Design showcase received positive media coverage. The aim of the design Showcase was to expose/present the unique Africa fabric and the upcoming designers to the</p>	<p>The event was very successful with attendance by ACTIF members from 18 countries and observers from India, USA, India, Ghana, Nigeria Switzerland and the Netherlands.</p> <p>Several members paid their subscriptions during the events</p> <p>ACTIF membership received a significant boost with interests expressed by West African stakeholders</p> <p>This was a big milestone in the ACTIF goal of promoting regional integration and value chain take advantage of opportunities</p> <p>The launch and designer showcase</p>



Origin Africa Designer showcase in partnership with COMPETE		<p>regional and international market.</p> <p>In attendance was USAID EA team lead by the mission Director, the International Cotton Advisory Committee (ICAC) Executive Director Mr. Terry Townsend and International Textile Manufacturers Federation (ITMF) among others</p>	<p>received considerable coverage by local &amp; international media</p> <p>The new website was successfully re launched at a colourful function.</p>
<p><b>13. COMESA Industry strategy implementation meetings in Uganda, Malawi, Kenya</b></p> <p><b>Objectives:</b></p> <p>i. Promote the profile of ACTIF and its services</p> <p>ii. Promote COMESA CTA strategy</p> <p>iii. Membership development</p>	Aug 2009 – June 2010	<p>The first validation meeting held in Uganda together with COMESA and ITC on 31 August - 1 September, 2009. The main objective of the Workshop was to align the National Textile Strategy formulated by Ministry of Tourism, Trade and Industry with the COMESA Regional Strategy on Cotton to Clothing Value Chain approved by the Council of Ministers at Victoria Falls in June 2009.</p> <p>Second meeting was held in Malawi on 21 – 23 April 2010 in support of the development of the Malawi Cotton to Clothing Strategic Plan, 2011 -16, in line with the COMESA Regional Strategy on Cotton to Clothing Value Chain.</p> <p>A workshop to discuss the alignment of Kenya's strategy to the COMESA Regional strategy was held on June 7th 2010 in Nairobi Kenya.</p>	<p>The stakeholder meetings provided a forum for ACTIF members to interact among themselves and also establish trade linkages.</p> <p>The COMESA regional CTA strategy was well received in all the countries by both the private and the public stakeholders.</p> <p>ACTIF profile was also promoted through presentations, distribution of brochures &amp; direct meetings</p> <p>The strategy implementation meetings also served to devise strategies of promoting the implementation of the COMESA CTA strategy</p>

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<b>14. Brussels Meeting</b>  <b>Objective:</b> To introduce the CDE and Proinvest and advice RTA on application procedures for assistance	12-13 July 2010, Brussels, Germany	<p>The meeting was hosted by the Centre for the Development of Enterprise and the Proinvest in the framework of the Belgian Presidency of European Union. ACTIF's capacity was enhanced as the meeting included a training on how to apply for assistance from CDE and Proinvest</p> <p>ACTIF ED was also able to establish useful contacts with various Trade institutions including Pro Invest, Empretec Mauritius, Foundation Adwuropa, Spanish Foreign Trade Institute &amp; European Business Council for the African and Mediterranean</p>	<p>The meeting provided vital information on CDE &amp; Pro invest</p> <p>ACTIF profile was promoted during the event</p> <p>Useful linkages were developed for building relations with the EU partners</p>
<b>15. South South Cooperation training in Thailand</b>  <b>Objectives:</b>  1. To explore the Cotton, Textile & Clothing Value chain in Thailand  2. To promote the African cotton and explore linkages for Trade and investments	19 <sup>th</sup> – 23 <sup>rd</sup> July 2010, Bangkok, Thailand	<ul style="list-style-type: none"> <li>➤ ACTIF was represented in an intensive training activity that is part of the South South Cooperation following its recognition as a key regional player in the CTA sector.</li> <li>➤ The theme of the training was the promotion of African cotton and value chain Transparency Training event.</li> <li>➤ The event brought together representatives from Kenya, Malawi, Mozambique, Tanzania, Uganda, Zambia, ACTIF &amp; COMESA</li> <li>➤ The training successfully identified the existing challenges that were limiting cotton trade between Africa and Thailand and possible solutions were identified. A detailed report was shared with the members</li> </ul>	<p>The training was a useful insight into the Thailand CTA value chain with numerous lessons for the African Delegation.</p> <p>ACTIF was able to promote its profile to the Thailand CTA stakeholders and also establish useful linkages.</p> <p>Areas of potential synergy were identified and the information was shared with the members.</p>

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<p><b>16. COMESA Business Forum (CBF)</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1. To discuss integration in COMESA</li> <li>2. To discuss on the role of science &amp; technology</li> </ol>	<p>27th – 28th August 2010, Manzini, Swaziland</p>	<p>ACTIF's Chairman, Jas Bedi and ED, Rajeev Arora successfully participated in the 2010 COMESA business Forum whose theme was “Science and Technology; Key to Sustainable Business Development.”</p> <p>Among others, it was resolved to support the establishment of science and technology sector based cluster working groups that includes Agriculture and food technology.</p> <p>It was also recommended that PPP institutional and regulatory frameworks be established at National and Regional level to attract private capital in public investments like infrastructure along the corridors.</p>	<p>The meeting provided an avenue to discuss challenges, opportunities and find solutions to trade development and integration in COMESA and Africa in general.</p> <p>The profile of ACTIF was also promoted as a partner with COMESA &amp; a regional voice in the CTA sector</p>
<p><b>17. Africa Green Revolution Forum (AGRF)</b></p> <p><b>Objective:</b></p> <p>Private Sector forum to address core challenges affecting trade and development in Africa</p>	<p>2<sup>nd</sup> – 4<sup>th</sup> Sep 2010, Accra Ghana</p>	<p>ACTIF's ED, Rajeev was invited and participated in the 2010 Africa Green Revolution Forum.</p> <p>Following ACTIF's input at the Forum, cotton was recognized as high value crop that has the potential of strengthening food security in the region.</p> <p>Several recommendations were adopted aimed at empowering the African region to benefit from the existing potential of Agriculture in Africa</p>	<p>The profile of ACTIF was enhanced as a unified voice in the development of Trade in Africa in the CTA sectors</p> <p>The meeting also provided a forum to develop useful linkages for Trade &amp; Investment.</p>

Activity & Objectives	Period	Summary of accomplishments	Evaluation
<p><b>18. AGOA advocacy activities</b></p> <p><b>Objective:</b></p> <p>To seek for a stronger and more sustainable relationship between SSA CTA stakeholders and the US Government</p>	On going	<p>ACTIF successfully secured support from Danida's Business Advocacy Fund to analyse the impact of Africa Growth &amp; Opportunity ACT (AGOA) in selected African countries, and also study the Cotton, Textile and Apparels sectors of selected Asian Countries</p> <p>ACTIF chairman Jas Bedi along with the Executive Director Rajeev Arora attended the AGOA ministerial and business meetings in US-Washington /Kansas supported by BAF-DANIDA funding to support and discussion with private and government agencies to voice the private sector recommendations for future modifications of the AGOA bill to have a better success and achievement over the last decade of its initiation.</p> <p>A new proposal to BAF-DANIDA is being prepared to sustain the advocacy efforts until the discussions on the modifications are concluded</p>	<p>The mission to US provided an avenue for ACTIF to present the white paper on AGOA as a common position of the ACTIF members.</p> <p>This is an ongoing activity as the final decision on the future of AGOA is not expected until late 2011 or early 2012</p>
<p><b>19. CTA Supply Side Analysis</b></p> <p><b>Objective</b></p> <p>To conduct a detailed CTA sectors in 4 East African Countries</p>	Nov	<p>ACTIF received an approval on its request to CDE for support to conduct a detailed CTA supply side analysis for four East African Countries (Kenya, Uganda, Tanzania &amp; Sudan)</p> <p>The process of hiring a consulting firm was initiated with a hope of launching the exercise in February 2011.</p> <p>The study is expected to take for months and conclude by April 2011</p>	<p>The study is expected to provide useful supply side data for developing strategies for the development of the CTA sectors in Africa as well as promote trade linkages regionally and internationally</p>

Activity & Objectives	Period	Summary of accomplishments	Evaluation
<p><b>20. Public Private Dialogue forum on the East African Community</b></p> <p><b>Objective:</b></p> <p>To discuss about EAC integration issues related to Trade</p>	<p>Oct 11 – 12 2010</p>	<p>Public and private sector players drawn from various industries within the East African community, converged in Arusha on 11-12<sup>th</sup> October 2010 to take stock of the progress made within the integration framework of the East African Community.</p> <p>This event was organized courtesy of the trade policy training center in Africa (TRAPCA), which is also based in Arusha.</p> <p>The workshop facilitated the interaction of key public and private sector players from the Eastern African region to address critical issues affecting trade in the EAC.</p>	<p>The event provided an opportunity to highlight the challenges faced in the CTA sectors and recommend ways of mitigating them.</p> <p>It also offered ACTIF an avenue to enhance its profile as a regional player in promoting trade in the CTA sector.</p>
<p><b>21. Danish Fashion &amp; Textile study visit, Kenya</b></p> <p><b>Objective:</b></p> <p>To explore the Kenyan CTA sector for CSR and Capacity building opportunities</p>	<p>Oct 25<sup>th</sup> – 29<sup>th</sup> 2010</p>	<p>The Danish Fashion and Textile, (DFT) in cooperation with Danish Federation of SME's (DFSME) and Thygesen Fabrics (TF) were in Kenya during the last week of October 2010 to explore the possibility of initiating a major project aimed at strengthening the Kenyan textile and garment value chain</p> <p>The aim of the project will be to address the existing bottlenecks and establish missing links in order to pave the way for long term partnerships between a broad range of Danish and Kenyan garment and textile companies.</p> <p>The interactions with the industry players was facilitated by ACTIF</p>	<p>The Danish team interacted with various stakeholders across the value chain in Kenya and their initial assessment was very positive as they were encouraged to continue with their project application.</p> <p>The proposed project will have a big impact in the Kenyan CTA sector and ACTIF needs to continue with the follow up.</p>

Activity & Objectives	Period	Summary of accomplishments	Evaluation
<p><b>22. South South Cooperation training in India</b></p> <p><b>Objective:</b></p> <p>To evaluate the Indian Cotton, Textile &amp; Apparel sectors and explore avenues of trade linkages and investment</p>	<p>14 – 27<sup>th</sup> Nov 2010, India</p>	<p>ACTIF was represented in an intensive training activity that is part of the South South Cooperation following its recognition as a key regional player in the CTA sector.</p> <p>The theme of the training was India – Africa cooperation along the cotton value chain.</p> <p>The event brought together representatives from Ethiopia, Kenya, Malawi, Mozambique, Tanzania, Uganda, Zambia, Zimbabwe &amp; ACTIF</p> <p>There were a lot lessons learnt and linkages established during the training. A detailed report is under compilation to be shared with the members.</p>	<p>The visit provided an opportunity for ACTIF to promote its profile as a regional voice in the CTA sector in Africa.</p> <p>ACTIF was able to engage various stakeholders in India with a keen interest of exploring the African region.</p> <p>Membership development also received a boost following interest from some major players in the Indian global Textile sector</p>
<p><b>23. ACTIF strategic review</b></p> <p><b>Objective:</b></p> <p>To develop a sustainable strategy in line with the regional COMESA CTA strategy</p>	<p>On going</p>	<p>ACTIF completed a revision of the strategy document, an exercise that was funded by Business Advocacy Fund (BAF).</p> <p>The ACTIF strategy was derived from discussions held at the last ACTIF AGM and also related to</p> <p>The strategy document is currently awaiting final review and approval from the board.</p>	<p>A draft strategy and operating plan was developed and is currently awaiting final review and endorsement by the ACTIF board</p>

#### 4. Detailed narrative (*Goals, objectives & accomplishments*)

##### 4.1 Staff training(Team Building )

###### Introduction

According to Dr. Gregatti and Dr. Sirois from the Oxford university of Belarus, teamwork may be defined as the capability to comprehend and recognize the diverse strengths and abilities in a group setting and then applying them to one final solution. The ACTIF secretariat took two days out of their normal schedule to participate in team building activities at the Lukenya getaway located in the outskirts of Nairobi facilitated by Blue Sky Adventures LTD.

The natural, bushy and quiet environment that was a distant comparison to the normal hustles and bustles of city life. Located at the foot of Lukenya hills with large grounds, nestled in the rich, cultured Athi plains region, it provided the perfect environment for the team to unwind and explore some outdoor activities aimed at enhancing team work. The two day workshop was very productive as the team was taken through various activities the key lessons learnt are highlighted below:



*ACTIF staff led by the ED Rajeev, (left) at the team building event*

**Leadership;** Different activities were used to demonstrate leadership qualities in the team members. One that stood out involved an exercise of issuing and following instructions along the organizational structure. The exercise was quite a challenge for all the members but it managed to highlight the importance of good leadership skills, importance of understanding instructions and finally the importance of following instructions. Each member had to play their roles effectively for success to be achieved.

**Effective Communication;** Effective communication is a key factor for any organization to accomplish its mandate. During one of the discussion sessions, the members agreed that there was a need to constantly improve on communication with each other to enhance work efficiency and effectiveness within the organization.

**Change Management;** As Isaac Asimov once stated, the only constant is change, continuing change, inevitable change. Dealing with change is a challenge that can be compared to chasing a moving target. This is owing to the fact change always comes with new challenges. Every organization has to continuously deal with change and it was well fitting that the team building sessions included activities for change management. The members learnt that inability to adapt to new environment posed a great challenge to individual members and could easily impact on the entire organization.

**Teamwork;** This single activity offered a combination of tests all geared towards working as a team. This include: trust, hard work, encouragement, motivation and courage

The two day event session was a worthwhile venture for the ACTIF staff as they returned to the office full of renewed energies. There has been improved coordination and communication that has enhanced commitment to team work to enhance service delivery to ACTIF members.

## **National level stakeholders meetings**

### **Introduction**

The African Cotton and Textile Industries Federation (ACTIF) goals are to;

- Build cooperation, interaction, and linkages within the region
- Promote inter-regional trade; addresses key policy issues and post MFA challenges
- Create a unified and recognized voice in both regional and global trade affairs that provide effective regional representation at international fora

To successfully achieve the above goals, ACTIF planned a series of National level meetings across the region to better understand its constituents to promote regional integration through trade and investments. The aim of the meetings was for the ACTIF secretariat and the National Cotton to clothing Value chain stakeholders to come together to share /discuss experiences to develop synergies in program /activities and build a strong base for co-operation and collaboration to enhance trade in Cotton to Clothing value chain and regional integration. The



objectives were;

- To understand issues that affects the industry at the National level, to discuss possible areas of ACTIF National level intervention activities and prioritized them for action in the year 2010/2011 work plans
- To promote ACTIF members services and establish formal engagement with the National Associations Board members.
- To create opportunity for ACTIF members and potential members to engaged the ACTIF secretariat to develop synergies to enhance the promotion of regional Cotton to clothing Value at the grassroots
- To promote public private sector partnership at National and regional level to enhance regional and national trade policy advocacy to create enabling environment for investment and trade

**Several meetings we planned in the following countries, Mozambique, South Africa, Zimbabwe, Nigeria, Egypt and Swaziland. The Zimbabwean meeting was cancelled due to the prevailing sanction that restricts the use of USAID funds in the country while the South Africa one was re-scheduled to a later date by the stakeholders. So far very successful meeting have been held in Mozambique and Nigeria**

#### **4.2 Mozambique on 28<sup>th</sup> Jan, 2010**

This was the first time ACTIF was engaged directly with the Mozambican CtC value chain stakeholders. The organization of the meeting was done in collaboration with the Mozambique Ginners Association (AAM). It was a very successful round table that has strengthened the collaboration and coordination with stakeholders in Mozambique to boost the ACTIF's promotion of the regional supply chain. The meeting was attended by both public and private sector players in the country.

The country has a lint production of 30,000 MT annually and the marketing/Sale period starts from July to November every year. Most of the gins used are Saw Gin that produces cotton lint with a staple Length of 1"1/8 and micronaire of 3,5 to 4,5. There is one intergraded textile firm and about two apparel factories

The ACTIF team held a meeting with the Mozambique Cotton Institute on the sidelines of the meeting; during the meeting the director of the institute welcomed the ACTIF's Pan-African initiative. He stated that he would like ACTIF to assist the Institute organize a CtC investor conference through its contacts. The Ministry of Industry also requested ACTIF to provide input

to the Textile sector strategy preparation.

This was one of those rare Stakeholder meetings that the few textile and apparel companies in the country had an opportunity to meet with their well organized counterparts in the cotton sector thus improving collaborations between them to bolster their position in lobbying the government for better business environment.

The meeting achieved one of the goals set for the national level meeting which is; to build cooperation, interaction, and linkages within the region. This meeting was also attended by a representative of the USIAD COMPETE program thus building collaboration development partners and

#### **4.3 Nigeria on 24th Feb 2010**



**The Governor of Kaduna Province officially opened the meeting**

The Nigerian meeting was scheduled at the request of the Nigerian Textile Manufacturers Association last quarter during the visit by the ACTIF program manager that resulted in ACTIF formally reaching out to the Nigerian textile industry thus reinforcing the inter-regional supply chain message in West Africa.

Cotton production and marketing in Nigeria has had a long history of establishment dating back to the pre colonial era. Cotton export was once a one of the nation's major foreign exchange earners. However, the advent of the crude oil which led to a general decline of the agricultural sector, also affected the cotton production leading to a drop in output from 220,000 mt in 1975/76 to 28,000 mt in 1985/86. However In 1986, the price liberation introduced through structural adjustment programmer restored Nigerians prime position on cotton production leading to an increase in growth from 28,000mt in 1976 to 70,000 mt in 1996. Since then, the national average output has been maintained between 150,000 mt and 300,000 mt. However, the cotton ginning

capacity of Nigeria is 650,000 mt, much higher than the current production.

Some of the challenges highlighted during the meeting are; Increased cost of production due to the high cost of inputs and labor; shortage of working capital considering the capital intensive nature of cotton ginning and merchandizing activities; non availability of and in some cases high cost of credit facilities; irregular and expensive power supply; high costs of alternative power; fall in local demand for cotton lint due to continued closure of textile mills or scaling down of operations; over dependence on export even when international prices are low and un economical; un economical transportation costs; high commodity levies charged by all the states through which cotton moves; high statutory inspection charges; lack of sufficient incentives to cotton farmers, ginner and exporters; lack of legislation to regulate cotton marketing, distribution and marketing and Quality management challenges

However in the middle of these Challenges there are also opportunities which were highlighted as; close to 200,000 hectares of arable land is currently under cotton cultivation with a potential of employing up to 2 million people within the related activities of planting, weeding, harvesting and transportation. With some encouragement the area under cotton plantation can be increased and in turn increase employment opportunities; Increasing population of Nigeria also increases the demand of edible oil thereby impacting on the cotton production; the cotton sector has tremendous potential to generate export revenue as the world's fibre consumption increases;

The situation in the Nigeria textile industry is summarized in the table below

	<b>In the Mid 80's</b>	<b>Current Situation</b>
No of Mills	175 Units	30 units
No of direct employees	250,000	24,000
Utilization Capacity	75% - 85%	28%
Export share in the West African Market	30%	5%

Some of the critical challenges in this sector are those that are common in most ACTIF members countries, these are; Influx of counterfeit & smuggled textiles mainly from China leading to closure of a number of textile mills; the scarcity and high cost of black oil that is needed for the processing of fabrics; the escalating cost of gas that is crucial for the running of the boilers in most of the textile companies; Lack of affordable credit that is stalling investment activities; A costly and poorly distributed power supply with a

devastating effect on the existing machinery; very expensive alternative sources of power; limited market access for the Nigerian fabrics; inconsistent government policies. Other cost factors including water, steam and labour which have Nigeria be termed as one of the most expensive places to do business.

The production level of raw cotton, mainly short staple fibre, has been dwindling with time owing to the limited consumption levels. Alternative fibres, such as polyester chips were initially being imported and converted to fibre in Nigeria. Currently, however, all the companies that convert chips to fibre have since closed. This means that both fibre and yarn have to be imported as well as polyester fibre, acrylic, viscose fibres, filament yarn and other alternative fibres all have to be imported.

To take care of these challenges ACTIF learnt that a textile revival fund of approximately 100 Billion Naira that had been muted in 2006 is currently being implemented. This could have a very positive effect of reviving the old players as well as giving way to new ones; the industry could easily bounce back in the event the importation of the fabrics is reduced by even 20% owing to the huge local market.

The clothing sector is not well organized in Nigeria, there is currently no Association representing the interest of the sector Nigeria. A few companies, associated with Nigeria Textile Manufacturing Association NTMA, have some level of integration as they are involved knitting, processing and garmenting. This includes Cotsyn (Sunflag group), Femro group 3 Nig. Ltd., West African Thread Co. Ltd, Adhama Textile & Garment Ind. Ltd., Rosies Textile Mills Ltd. There are also others that are involved in CMT operations i.e. procuring fabrics, cutting and sewing e.g Sam and Sara, Ruff n Tumble, Viratex. Another group of companies are involved in fashion designing and tailoring of outfits which cater for the populace who sew for individuals on a made to measure basis.

### **Milestone**

The main milestone of the meeting was the enthusiasm exhibited by the Industry; the Nigerian Textile Manufacturers Association & Nigerian Textile Garment & Tailoring Employers Association, and the National Cotton Association of Nigeria decided to join ACTIF membership after the meeting. Key program priority areas they would like to do jointly with ACTIF are; AGOA sensitization workshop and institutional capacity building workshop. The meeting was covered in the local media thus enhancing ACTIF visibility to

promote the regional integration and **brand Africa theme- “Origin Africa -from Farm to Fashion”**

#### **4.4 Egypt on 16th March 2010**

Right;	Marie
Louis Bishara, VP	
Design	Bishara
Group	–
Presentation	on
ready	make



The Egyptian textile industry accounts for 3% of the GDP, 27% of industrial output and about 14% of non petroleum exports. Careful supervision by the government has enabled the sector to rank second in production after agro industry and first in terms of jobs in the country (30% of the labor force). The strengths of the industry lie in three main areas: Raw materials that are locally available including natural fibres (extra long staple cotton) and manmade fibres (acrylic); Low prices

of utilities such as energy and water costs; Human resources with low labor costs and highly trained personnel. Another advantage of the Egyptian sector is its larger population of about 83 Million people. Egypt is also strategically

located with an average of 4 hour flight time to most European capitals; its close proximity to North America as compared to the Asian countries; availability of direct vessels to USA east cost; proximity to gulf Asia and Africa. The conducive environment in Egypt has led to massive investment in the industry and currently some major International brands are manufactured there including: GAP, LEVIS, MARKS and SPENCER, Liz Claiborne, TOMMY HILFIGER, POLO RALPH LAUREN, GUESS, C&A, NEXT and HUGO BOSS.`

Home Textile Export Council (H.T.E.C) is an organization established under Ministry of Trade and Industry in Egypt. It works in a regulatory frame work that combines representatives of Exporters and producers responsible. It is responsible for preparing strategies and plans that aim to increase Exports and raise its efficiency to strengthen the competitive position of the Egyptian exports in foreign markets. In the final report of 2008 2009, the total export value was estimated at over 5.2 billion USD with 172 companies and a labor force of 127,997. The bulk of the exports comprises of knotted fabrics and textile floor coverings accounting for 53%. The other sectors include cotton towels 25%, bed sheets and tabels 15%, man-made carpets at 3% and the rest of the textiles sector accounting for 4% of the exports. The main export destinations include USA 44%, Italy 24%, UK 16%, Germany 8% and Netherlands 8%.

Through H.T.E.C, the members are able to take part in various local and international exhibitions including: China Home Textiles; Heimtextil, Germany; Global Home Textiles, USA; EVTEKS, Turkey; and Furnex, Egypt.

To support the growth of the Industry the Industrial Modernization Center (IMC) was established as an independent body that coordinates the modernization of the Egyptian industry under the Industrial Modernization Programme (IMP). Its mission is to support all industrial enterprises, individually or sectorially, according to their development needs. It currently serves 14,631 clients while providing over 80,000 services. IMC implements some capacity building programs including: Export support; Information Technology; Financial Services and factoring; Employment services; corporate social responsibility; environmental compliance and energy effectiveness; It also offers some special programmes in Supplies, Research and development, Quality assurance, In company experts and new factories support. IMC has been very instrumental in supporting the textile sector in Egypt. Specific projects that it runs for the textile sector include: Textile development strategy; Export readiness assessment; Establishment of the textile technology center; Waste water treatment study for textile cluster; Gap analysis for spinning & weaving; Dye house upgrading clusters; Environmental compliance & Oeko-tex certification cluster. IMG has set some new targets for the textile industry including increasing Textile and Ready Made Garments Exports from 15.4 Billion EGP in 2010 to 23.4 Billion EGP by 2013; adding 286 new exporters in the industry; attracting 21.2 Billion EGP investments; offer training for 90,000 factory workers and adding 240,000 new jobs in the sector.

At the end of the meeting the stakeholders expressed s interest in collaborating with ACTIF in the following areas;

**Lint Trade:** Egypt produces long staple and extra long staple lint that is majorly for export market and a small portion consumed by the local textile mills. The local spinning industry is currently importing cotton from Syria, Sudan and Greece to meet the local demand for medium staple length lint. Egyptian being a COMESA country, the local spinners can import lint from COMESA duty free, however according to the industry, there has been several obstacles some of them are; Sanitary and phytosanitary requirements by the Egyptian Government Ministry of Agriculture, lack of regional lint market information, logistics among others. The Industry welcomed the ACTIF initiative and would like to work with ACTIF to look at the possibilities of breaking some of these barriers to open up the Egyptian cotton market for the regional lint. This can be done through the Production Ginning and Lint trade committee. There were suggestions from ALCOTEXA to organize the mapping of the regional cotton growing areas as required by the Egyptian Government Ministry of Agriculture as this can allow the Egyptian spinning industry to import lint from other African countries.

**Promotion of trade in regional fiber, textiles and apparel** Egypt is one of the few African Countries that has developed the full Farm to Fashion value chain. There are opportunities to work with other Africa countries to develop synergies in the value chain. For example the demand for cotton yarn for the Egyptian home textile industry is on the increase, to produce high quality home textiles and apparel that can be traded within and outside the region.

The industry is interested in developing a B2B event with ACTIF aimed at matching demand and supply across the region. The initial idea is to start with a bi-lateral B2B then upscale it to a regional B2B. This will stimulate demand and provide the market data that manufacturers and buyers need to make decisions

**Co-operation in developing Original African Brands:** ACTIF team was informed that the Egyptian Chamber for ready Garments is currently working at developing original Egyptian Brands using the Egyptian cotton label. This initiative done in collaboration with the Egyptian designers and the local value chain stakeholders, the Egyptian Fashion designers have been allocated space by the Paris Fashion week designers to promote the Egyptian original designs. Since ACTIF in collaboration with USAID-COMPETE program has launched the Origin Africa Brand to promote the regional Farm to Fashion supply chain through the promotion of upcoming designers, the chambers suggested that this can be an area for collaboration. The space allocated to Egyptian Cotton Brand at the Paris Fashion show week to promote the upcoming African designers. The Egyptian Fashion designers through Ms Marie Louis Bishara who is the vice Chairman of the Chambers for ready garments would like to participate in the organization activities to enhance information exchange and collaboration with other designers from the rest of Africa through ACTIF

**Education for Employment (EFE) Foundation Egypt;** The Education for Employment (EFE) Foundation Egypt. EFE Egypt which is a local non-profit organization established through the cooperation with the EFE in the US expressed interest in working with ACTIF to share the foundation's mission in the ACTIF member countries. It has other affiliate foundations in Europe / Spain, Jordan, Palestine, Morocco and Yemen, the foundation has extensive outreach and exposure in youth employment.

Some of the Training programs that have been implemented by EFE Egypt include vocational, technical, and professional fields as accounting, air conditioner repair, land surveying, construction management, sales, and teaching, and critical soft skills such as leadership, interpersonal communications, and successful business behavior.

The ACTIF team discussed the possibility of forging a future partnership in order to develop special training programs within the Cotton, Textile & Apparel sectors. Capacity building is among the key objectives of ACTIF with an aim of enhancing the skills level in the Industry across the region.

#### **4.5 National Level Meeting –Swaziland 29<sup>th</sup> March 2010**



From left, Barry Fisher (COMPETE), Rajeev Arora (ACTIF), Earl M. Irving (USA Ambassador and Fred Kong'ong'o ( ACTIF) during the Swaziland Meeting

This meeting was the first ever Cotton to clothing value chain meeting in Swaziland thus it attracted the attention of all key stakeholders that included the Government, Technoserve , private sector value chain stakeholders and the USA Ambassador to Swaziland.

During the meeting ACTIF team noted that the Swaziland textile and apparel sector has survived the effects of the Global economic crunch better than most of the Sub-Saharan Africa due to the supportive policies of the government.



There are no private sector National Association but as a result of the meeting the textile and apparel stakeholders are looking at ways to revive the collapsed trade Association.

The main outcome of the was the agreement of by the private sector National Value chain stakeholders to revive the National trade body to take care of the industry trade and policy advocacy interest. The ACTIF team also got the vital Swaziland market information that will be useful in promoting intra-regional and international trade. For example of the Apparel manufacturers in Swaziland have private label that is sold in the regional and local market, this is a good initiative that can be emulated by other Sub-Saharan African Countries

**4.6 Maintain representation at regional and international fora;** during this quarter ACTIF secretariat participated in the COMESA Business Council Regional private Sector General meeting in Nairobi, January 2010. The delegates were drawn from the COMESA Secretariat and its institutions, regional sectoral industrial associations, national private sector associations, women's business networks, civil society and SME's and development partners, including the International Trade Centre (ITC) and USAID-COMPETE. This meeting is an effort by the COMESA secretariat to revamped the operations of the Business council with the support of COMESA/ITC PACT 11 program funded by the Canadian International Development Agency (CIDA)

The meeting provided an open platform for genuine dialogue among private sector actors, through sharing of various experiences and lessons learnt, as well as emerging issues vis-à-vis, regional trade related policy. It is expected that opportunities, challenges and recommendations, highlighted during the meeting, will inform the CBC Draft Strategic Plan and Work Plans.

The meeting was held at the backdrop of Africa's massive resource potential that is yet to be explored and exploited for the benefit of its members. Focus was laid on modalities of intensifying exchanges between regional apex bodies and their constituents as well as enhancing public private dialogue. Members present shared lessons, experiences, opportunities, challenges and recommendations as part of their input into the draft CBC strategic plan and work plan. During this meeting ACTIF successfully positioned itself to play a major role in the revival of the COMESA Business council to fully represent its members through the COMESA organ

ACTIF team also participated in the Bremen Cotton conference in Germany and Prime Source conference in Hong Kong the details are in the attached reports

**4.7 Merging and rationalizing the two websites (the cottonafrica.com and actifafrica.com websites);** cottonafrica.com is a trade linkage website while actifafrica.com is an intuitional. The

processing of merging the two website that began last quarter has progressed very well and will be completed by April 20<sup>th</sup>, 2010. When completed the website will be more interactive ; it's hope that it will provide Market Information and update regional and international industry news. ACTIF aim is to use the website as a source of revenue through branded services.

#### 4.8 National Level Meeting – Nairobi, Kenya June 7<sup>th</sup> 2010



*Cotton to Clothing value Chain  
Stakeholders meeting at the Hilton*

The Cotton-to-Clothing Validation Workshop was held in Nairobi Kenya on 7th June, 2010. The meeting was

organized in collaboration with the International Trade Center (ITC), Kenya Association of Manufacturers (KAM), Kenya Cotton development Authority (CODA) and the Africa Cotton and Textile industries Federation (ACTIF). It was funded by the EU-All ACP Agricultural Commodities Programme. The COMESA secretariat is the program Focal Point for the Eastern and Southern Africa Region. The main objective of the Workshop was to align the National Cotton -Textile task force report formulated by the Prime Ministers' Office with the COMESA Regional Cotton to Clothing strategy approved by the Council of Ministers at Victoria Falls in June 2009.

The participants made a few urgent recommendations: Government should adopt and promote the regional strategy for the sector to grow; Amendments on the value chain matrices as validated be incorporated in all national strategies; and an implementation committee should be set-up with Terms of Reference, comprising all stakeholder institutions to facilitate a coordinated follow up in the implementation of the strategies; Designers and the SME's in the sector should also be taken into consideration in future meetings and interventions;

A working group was established to fine tune key priority areas for immediate intervention chaired by the Cotton Development Authority. The membership agreed included the following, drawn from the public and private sector: Ministry of Agriculture; Cotton Development Authority

(CODA); Kenya Cotton Growers Association representatives; Kenya cotton Ginners Cotton Association; Textile Manufacturers Association under KAM; Apparel Manufacturers Associations Under KAM; Academic Institutions ( Universities) and ACTIF

*Group picture of the Committee members during the COMESA Strategy Implementation meeting*

#### **4.9 COMESA Regional Cotton to Clothing Strategy implementation committee meeting Held on 8<sup>th</sup> June, 2010 at the Hilton Hotel Nairobi Kenya**



The Committee members included : Farmers Representatives from Kenya Cotton Growers Association and Zambia Cotton Board; Ginners Representative from Bon Holdings Ltd, Uganda; Textile representative from Southern Range Nyanza Ltd, Uganda and Bedi Investments LTd, Kenya; Apparel

Representative from Mauritius Export Association (MEXA) ACTIF represented by the Chairman and Executive Director; USAID –COMPETE represented by the Cotton/Textile Specialist and the Regional Competitiveness and Strategy Advisor; COMESA SECRETARIAT represented by the Regional Focal Point Coordinator-Agro-foods EU-ACP All Agricultural Commodities Program ESA region, Regional Technical Advisor – COMESA;

The observers included: Tanzania Cotton Board; Regional Focal point Coordinator –Cotton EU-ACP All Agricultural Commodities Program ESA region COMESA; Program Manager, Cotton ,Textile and Apparel, Sector Competitiveness, Division of Market Development, International Trade Centre; Coordinator Sector Development Programmes Division of Market Development, ITC.

The overall Action points include: COMESA secretariat through with the support of the EU-ACP All Agricultural Commodities Program to relate all inputs and progress by partners to strategy and

share with all members; The COMESA secretariat through the cotton coordinator to share regular updates from other partners with the Strategy Committee members; COMESA Secretariat should engage the national focal points in the strategy implementation process to ensure visibility and appropriate prioritization in national policy and development activities; There was a request to the COMESA secretariat that a progressive report on the strategy implementation be presented at next Heads of State Summit and Ministerial meeting in August by the ACTIF Chairman; ToR for the committee should be concluded by mid-July to streamline the operations of the committee; COMESA secretariat to encourage all donors intervening in the Cotton to Clothing value chain at regional and National level to align their activities with the Regional Cotton to Clothing strategy to avoid duplication; COMESA secretariat should take the strategy to both SADC and EAC secretariat for adoption and alignment to their Cotton to Clothing programs since the strategy was prepared under tripartite arrangement; COMESA secretariat should incorporate the sector strategy implementation in its mainstream programs. It was noted that some of the COMESA lead cotton intervention activities were not coordinated through the strategy; a case in point is the Malawi National level meetings were just invited to the meeting without being involved in the preparation process; COMESA and ITC should come up with a Textile and Apparel program to take the some of the Textile and Clothing implementation forward; USAID-COMPETE being a COMESA program should align the cotton to clothing activities to the Regional strategy so that activities that are being implemented by COMPETE can be ticked off from the strategy; The next meeting should be done before the end of the year, possibly in November 2010; COMESA Secretariat reiterated its request to ITC to develop a TA programme for the T&C sector along the lines for cotton. The implementation could be done under the PACT II framework. It was recommended that a small group of players should be formed to jointly elaborate the programme as it was done for the strategy.. The proposed Mauritius November meeting could be a good occasion for the first small group meeting

#### 4.10 Brussels Meeting



*Group picture of the delegates that attended the Brussels meeting*

The meeting was hosted by the Centre for the Development of Enterprise and the Proinvest in the framework of the Belgian Presidency of European Union. The main program for the conference was to introduce the CDE and Proinvest and to advise how one can apply for assistance.

ACTIF ED, Rajeev Arora was among the participants that included the following B2B meetings

- **European Business Council for the African and Mediterranean**  
Mainly discussed mutual interests how ACTIF can help to promote develop trade and investments for the cotton value chain in SSA. We also discussed the objectives and how ACTIF is projecting a designer showcase event, being organized by USAID-COMPETE together with ACTIF and Enterprise Mauritius/MEXA.
- **Spanish Foreign Trade Institute**  
They were keen to understand ACTIF and its objectives. The organization is mainly having members from private sector who would want to develop trade with Africa. They are keen to develop the relationship and how they can be member of ACTIF; they would advise the fashion department of Spain to contact and discuss how ACTIF and Fashion department can work together.
- **Foundation Adwuropa**  
They were keen to have the soft copy of the Origin Africa designer showcase and were interested to participate in the show. We also discussed how ACTIF can assist to develop investment in the cotton value chain.



- **Empretec Mauritius & Pro Invest**

Rajeev met with Mr. Sanjay G. Mungur CEO of Empretec Mauritius, he advised us that they plan to do a project on Strengthening the Textile & Garment Supply Chain, Textile Mada Antananarivo, Madagascar through Value Addition, Capacity Building, Productivity Improvement, Quality Enhancement & Regional Integration Mauritius, Madagascar, Ethiopia, Ghana. He suggested that ACTIF be included in the project considering its objectives were in line with ACTIF objectives and some of the countries involved were ACTIF members.

Rajeev discussed with Denis and, in principle he agreed to include ACTIF in these interventions. Denis suggested I should write a request to Proinvest to consider this request. I also had the opportunity to discuss with Mr. Denis Massart; he was happy to assist and also advised we should write to him of our interest.

#### **4.11 South South Cooperation training in Thailand**

The training was held in Bangkok, Thailand and ACTIF was represented by Trade Policy & ICT Manager, Joseph Nyagari.



*Group picture of the participants at one of the factory visits in Thailand*

It was an intensive training event aimed at developing the cotton sector of East and Southern Africa and

promoting cotton lint exports to Thailand. Representatives of cotton producers from the East & Southern Africa were able to interact with representatives of Thailand Textile Industry to understand the needs and requirements for development of trade. The training was made possible by: International Trade Center (ITC); The European Union (EU); Thailand Textile Manufacturing Association (TTMA); Department of Export Promotion (DEP), Thailand; and the Public Warehouse Organization (PWO), Thailand.

Following the factory visits, the African delegation converged to a brain storming session and to also suggest ideas of how to improve the competitiveness of the African cotton. Some of the lessons learnt include:

1. The quality of African Cotton is very high. Contamination is a key challenge that is affecting the competitiveness of African cotton.
2. Most of the contamination issues can be dealt with at the production levels with a proper coordination between the cotton farmers and the ginners
3. Lack of awareness among the local producers and ginners was cited as one of the biggest obstacles in dealing with contamination
4. Investment in research and development facilities could help Africa be more competitive at production and processing levels of the cotton and textile industry.
5. There is a need for all support institutions to be involved in the cotton development. This includes the government, trade promotion councils, financial partners and trade associations.
6. Transparent and efficient information flow between the industry players in Thailand is a major factor of their success.
7. The Thailand Textile industry enjoys a great infrastructural support evidenced by their modern road network that stretches to hundreds of kilometers out of the city. The cost of power is approximately 8 US Cents per KWH. Interestingly, none of the factories we visited had a backup power generator because they rarely experience power outages. (Perhaps once or twice a year). The quality of power is also very high.
8. Women play a great role in the success of the textile industry in Thailand. Most of the institutions visited had at least 50% or more of women employees. The quality control department, the most important departments of the factories had more than two thirds of them being women.

The Thailand Textile Federation and in particular Lucky spinners company limited expressed their willingness to partner with Africa and also assist with capacity building to improve their competitiveness. Lucky spinning group offered to visit all the countries present to offer a minimum of three days training per country on contamination.

#### **4.12 COMESA Business Forum (CBF)**

The sixth COMESA business forum (CBF) was held in Manzini, Swaziland on 27 – 28 August 2010. The purpose of the meeting was aimed at bringing the private sector together to discuss challenges, opportunities and find solutions to trade development and integration in COMESA and Africa in general.

ACTIF was represented by the Chairman, Mr. Jaswinder Bedi and the Executive Director, Mr. Rajeev Arora.



***Delegates during the COMESA business Forum***

The theme of the meeting was Science and Technology; A key to sustainable business development and the following issues were covered:



1. Trade Opportunities and Challenges for Regional Integration in Africa;
2. Overcoming Barriers to Trade and Investment through Technology and Innovation;
3. Trade Development – Investment & Finance;
4. Addressing Infrastructure Development Issues and Private Sector Investment in Infrastructure;
5. How can Africa apply in Science and Technology for advancing sustainable development?
6. Climate Change and Agri-Business;
7. Making Science and technology work for the poor;

A detailed report on the proceedings is attached.

#### **4.13 Africa Green Revolution Forum (AGRF)**

The African Green Revolution Forum (AGRF) took place at the Ghana International Conference Center, Accra, Ghana on September 2-4, 2010.

The Forum's goal was to bring together leaders from governments in Africa, global enterprises, development agencies and world experts on agricultural development to drive partnership-action within five specific action-areas:

- The investment opportunity
- The policy environment
- Reducing the cost of finance
- Increasing agricultural productivity
- Increasing financial returns to farmers



***Chaired by Kofi Annan, former UN Secretary-General and chair of the Alliance for a Green Revolution in Africa (AGRA) leading a high powered panel at the Africa Green revolution forum***

ACTIF Executive Director, Rajeev Arora, participated in the AGRF Forum and was involved in a panel discussion on developing markets for the small-holder farmer; High value crops and products. ACTIF was commended for its commitment to fuel the public-private partnerships that are essential to changing the fortunes for millions of African farmers.

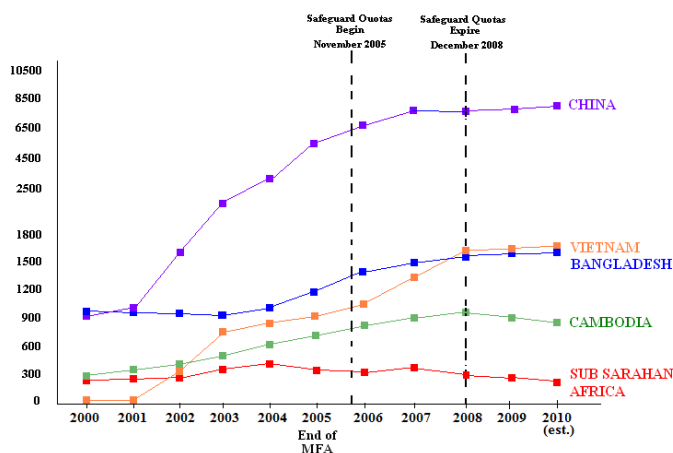
A number of recommendations were adopted at the end of the conference. These included the need to:

1. Pool efforts and resources to scale up breadbasket investment plans across many more African countries, consistent with the investment blueprints for the agricultural corridors, and the country compacts of the Comprehensive African Agricultural Development Program of the African Union – NEPAD.
2. Empower women throughout the agricultural value chain by accelerating access to improved technology, finance, markets – and most importantly – strongly engaging their participation in the policy formulation process.
3. Implement the Impact Investment Fund for African Agriculture in order to scale up access to finance by farmers and agri-businesses.
4. Increase investment in science, technology and research for food and nutrition security. This must to be done on a sustained basis, and in cooperation with the farmers.
5. Accelerate access to improved seed by promoting the entire value chain, including support for plant breeding, seed companies and seed distribution systems.

6. Improve fertilizer supply systems and encourage more efficient fertilizer value chains, and to scale up agro dealers to improve access for farmers.

#### 4.14 Discussions with the US government for the sustainability of AGOA in SSA

ACTIF has continued to monitor the developments in the US government in relation to the proposed amendments and expansion of the existing AGOA framework, with a hope of securing a stronger trade arrangement for the benefit of increased trade and investment in Cotton, Textile and Apparel sectors in Sub Saharan Africa. With the support of the Business Advocacy fund (BAF) ACTIF was able to engage the services of a reputable Washington, D.C.-based law firm of Ryberg and Smith, L.L.C. who facilitated a series of meetings with between ACTIF representatives, comprising of the chairman Mr. Jas Bedi and the Executive Director Mr. Rajeev Arora, and key US Government representatives from both sides of the government in July - August 2010. Since then, ACTIF has kept in touch with the law firm on the follow up dialogues related to the efforts of securing a better and stronger relationship with the US government under AGOA.



Since the end of the Multifibre Agreement (MFA), U.S. apparel imports from Africa have fallen by one-half (-48% through 2009), while imports from the Asian apparel giants have skyrocketed: China up 23%, Bangladesh up 71%, Cambodia up 31%, and Vietnam up 98%. It is estimated that through 2009 roughly one-half of the African apparel sector jobs that had been created by AGOA had been lost. And the trend line was continuing in a downward direction.

At the time the ACTIF delegation was in Washington, and the ensuing period, the staffs of both the House Ways and Means Committee and the Senate Finance Committee were engaged in policy consultations with USTR on both the preference reform legislation and the proposed AGOA amendments. However the attention soon turned to the mid-year polls that resulted in significant changes in the key committees related to the trade policy discussions.

Republican candidates in the November 2, 2010 mid-term Congressional elections scored a majority victory, capturing control of the House of Representatives. The Republicans will now hold a majority in the House in the 112<sup>th</sup> Congress, which will convene in January 2011. The Democrats retained control of the Senate, but just barely.

Republican leaders have declared that their top priority in the 112<sup>th</sup> Congress will be to repeal certain high-profile measures enacted earlier this year, especially the landmark health care reform bill. If they follow through on this challenge, it is likely that the 112<sup>th</sup> Congress will be characterized by heightened partisanship and rancor, which could easily lead to legislative gridlock.

Against that background, the outlook for trade-related legislation in the 112<sup>th</sup> Congress is not yet clear. It seems likely, however, that the three stalled U.S. FTAs with Colombia, Panama and South Korea could be slated for quick approval early next year. All three FTAs had been held up by House Democrats, who were demanding changes to labor, environmental and other provisions. With the Republicans now in control of the House, it is likely that they will move quickly to approve the three FTAs with less ambitious revisions.

Rep. David Camp (R-MI) is expected to become the new Chairman of the House Ways and Means Committee. Rep. Camp has made approval of the pending FTAs a priority. He has also been a strong supporter of AGOA in the past, and he seems likely to continue to do so as Committee Chairman.

The future of preference reform legislation also could be in question. The preference reform initiative has been driven in the House by the Democrats. Republicans have seemed relatively uninterested in preference reform in 2010. It is unclear whether preference reform will move up on the Republican list of priorities in 2011. While preference reform has represented a threat to the AGOA apparel preferences, it has also been seen as the most likely vehicle for enactment of amendments to extend both the AGOA third-country fabric provision and the overall authorization of AGOA. It is unclear how AGOA amendments would move forward in the 112<sup>th</sup> Congress if preference reform becomes stalled.

In the Senate, preference reform has been approached on a bi-partisan basis within the Finance Committee. Although Senator Max Baucus (D-MT) remains as Chairman of the Finance Committee, Ranking Minority Member Charles Grassley (R-IA) will rotate off the Committee next year. Senator Grassley had been the real moving force behind preference reform in the Senate. Senator Orin Hatch

(R-UT) is considered the likely candidate to become the Ranking Member in the 112<sup>th</sup> Congress, but in the past he has been much less interested in preference reform than Senator Grassley. There is a good chance, therefore, that the preference reform initiative could lose steam in both the Senate and the House next year.

One other major change in the Senate is the defeat of Senator Russell Feingold (D-WI), who has been the Chairman of the Africa Subcommittee of the Committee on Foreign Affairs. Senator Feingold has not been strong supporter of AGOA. Senator Ben Cardin (D-MD) is next in line to assume the Chair of the Africa Subcommittee, if normal seniority is followed. Senator Cardin has been a much more reliable supporter of AGOA in the past.

In these circumstances, it is critical that all AGOA stakeholders, including ACTIF, should continue to be actively engaged next year in the legislative process to ensure that their views continue to be before the key Congressional and Administration officials and are incorporated in the legislation as it is introduced and moves forward through the legislative process. ACTIF is already in discussions with the Business Advocacy Fund in order to renew its efforts in the coming year in partnership with the Washington law firm in order to enhance the chances of success.

#### **4.15 Preparation activities for Supply Side Analysis for CTA sectors in 4 Eastern African Countries**

Since receiving an approval from CDE to conduct a detailed supply side analysis in Kenya, Uganda, Tanzania & Sudan, ACTIF has been undertaking some preparatory activities in readiness for the exercise.

The following documents have been successfully completed and submitted to CDE:

- Signed contract between CDE and ACTIF for the supply side analysis
- Proposed list of proposed consultants drawn from CDE countries that will be requested to bid for the exercise
- Terms of reference for the consulting firm
- Information details prior to market consultation exercises

The activity will involve engaging of a consulting firm that will conduct the exercise between Jan – March 2011

A final report is expected by April 2011

#### **4.16 Public Private Dialogue forum on the East African Community**

Public and private sector players drawn from various industries within the East African community, converged in Arusha on 11-12<sup>th</sup> October 2010 to take stock of the progress made within the integration framework of the East African Community. This event was organized courtesy of the trade policy training center in Africa (TRAPCA), which is also based in Arusha. The event was organized with the following objectives: Enable the participants to better understand and comprehend issues and challenges facing public-private cooperation in the East African Community (EAC); Create, promote and consolidate opportunities for both the public and private sector to enhance their respective efficiencies and effectiveness as development partners; Reflect on the challenges and issues faced by and how best to address them by leveraging the expertise and resources of the private sector working together with the public sector; Develop effective working relationships between the public and private sectors that will produce results and meet the goals of both the private and public sectors in the EAC; Address critical issues affecting trade in the EAC.



Public and Private sector participants who took part in the EAC meeting in Arusha

Dr. Chungu Mwila, the Director of Investment Promotion and Private Sector Development, COMESA Secretariat emphasized on the role of the public and private sector in Small and Medium Enterprises development in driving the agenda of regional integration within the East African Community considering that they comprised of 50 – 90% of the local economies across the region. He noted that

SMEs across the region were faced with numerous challenges including; Absence of national and regulatory environment; Lack of enterprise management skills; Inadequate education and skills; Lack of knowledge of the money/financial markets; Poor access to credit largely due to lack of collateral; Limited technological change and innovation; insensitivity to SME requirements by service providers such as banks, local governments, telecommunication suppliers; Poor infrastructure; However, he urged the privates sectors to continue engaging with the governments who increasingly taking an interest to support of SMEs. He also urges the government and private players to create and support the institutional coordination mechanisms such as sector associations and trade federations who act as the main voices of the SME institutions.

A presentation by Agatha Nderitu, the Executive Director of the East African Business Council (EABC), was also delivered on the role of the Private Sector in Trade Facilitation. The private sector was reminded to take note of its important roles in the regional integration which included: To be compliant with Trade Procedures; To Participate in the formulation of the various trade facilitation instruments; to extend their participation in policy formulation to regional, international and multilateral levels; to understand the contribution to the overall cost of a product by the various administration and legislative requirements – Example – Customs costs usually taken by Management as a cost of doing business; to Lobby & advocate for improvements in Trade Facilitation in line with international best practices.

Ms. Jacqueline Maleko Assistant Director, Ministry of Industry Trade and Marketing, Tanzania shared the Tanzanian experience and the lessons learnt in the private public partnerships engagements in her country. She emphasized the role of women participation in development and employment creation and encouraged the other EAC countries to learn from their numerous success stories.

Dr. Mukhisa Kituyi, a former Minister for Trade and Industry, Kenya delivered a talk on the role of Political Will to realize the EAC Common Market. Drawing from his extensive experiences as a trade minister in the EAC region as well as his involvement in local, regional and international trade negotiations, Dr Kitui noted that the discussions on EAC integration had taken a very long time to get to the current state, during which there were a lot of changes in governments across the region, thereby delaying the process. He noted that the full benefit of the EAC integration could only be achieved with unwavering political will across the region and he urged the private sectors to utilize all available avenues to engage with the governments for better success.

The participants included Transport companies, wholesale and retail companies; freighting and

forwarding, manufacturers, petroleum companies; Large private business owners / CEOs across the region Senior officers from Government; Revenue authorities and standards bodies; Trade law experts; Senior officers from East African Business council; CEOs Responsible for Trade within Regional Trade Institutions like the EAC, COMESA, SADC etc; National Private Sector Organizations like the Kenya Private Sector Alliance; Industry Organizations such as the East African Grain Council (EAGC), African Cotton and Textiles Industries Federation (ACTIF), Eastern and Southern Africa Dairy Association, (ESADA) and East Africa Fine Coffee Association (EAFCA) & Trade policy Researchers and consultants. ACTIF was represented by the ED Rajeev Arora and the Trade Policy manager Joseph Nyagari.

#### **4.17 Danish Fashion & Textile explores the Kenyan CTA sector for CSR and Capacity building opportunities**

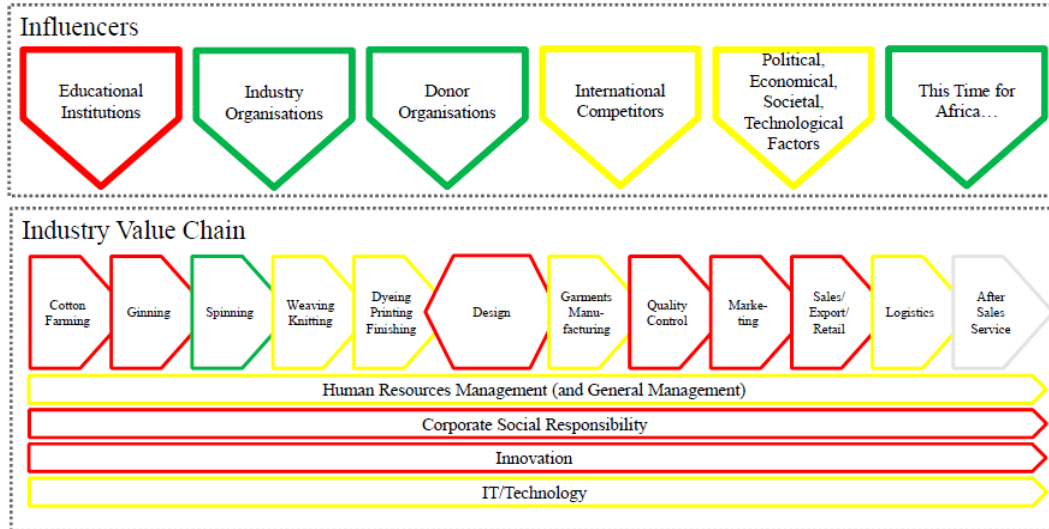
The Danish Fashion and Textile, (DFT) and the African Cotton and Textile Industries Federation (ACTIF) have in cooperation with Danish Federation of SME's (DFSME) and Thygesen Fabrics (TF) are exploring the possibility of initiating a major project aimed at strengthening the Kenyan textile and garment value chain. The aim of the project will be to address the existing bottlenecks and establish missing links in order to pave the way for long term partnerships between a broad range of Danish and Kenyan garment and textile companies.

The team of Danish consultants visited Kenya between October 25<sup>th</sup> and October 29<sup>th</sup> 2010 for an intensive feasibility study. During their week long study, that was facilitated by ACTIF, the Danish team was involved in various activities including; A meeting with ACTIF's national member – Kenya Association of Manufacturers (KAM); A tour of the University of Nairobi's Fashion and Textile department; A meeting with representatives of Textile training institutions in Kenya; A meeting with the government representatives drawn from the Ministries of Trade, labour, Environment & Industry and the Kenya investment Authority; A meeting with Textile Union officials; A visit to spinning and textile companies; A visit to the garment factories at the Export processing zones; A meeting on raw materials availability with Kenya's Cotton Development Authority and a consultant from Tanzania's cotton board. The key findings of the feasibility study are captured in the matrix below:



Colour	Code
Green	Mainly positive findings that support the local textile and garment industry
Yellow	Mixed findings that cause both opportunities and challenges for the local textile and garment industry
Red	Mainly negative findings that cause great challenges for the local textile and garment industry
Grey	Not enough data in order to evaluate this area

## KEY FINDINGS: HEADLINES



The delegation from the Danish fashion and textile industry concluded their visit by meeting with the Danish Ambassador to Kenya whereby they briefed the embassy on their initial findings and their intended mission. The Danish Ambassador, H.E Geert Andersen, was happy with the initial assessment and offered his support to the project. All in all, the Danish team felt that there existed a great opportunity for creating sustainable and long-lasting partnerships in Africa that could lead to investment and exports into the EU market. Their overall objective is to initiate a project in Kenya and later on spread to other ACTIF member countries.



Pic: The Danish team interacting with Mrs. Betty Maina, the CEO of the Kenya Association of Manufacturers

#### **4.18 South South Cooperation training in India, 14<sup>th</sup> – 27<sup>th</sup> Nov 2010**

This was a two-week capacity building event in India that was organized within the framework of the All ACP Agricultural Commodity programme financed by the EC & the International Trade Centre, in cooperation with the confederation of the Indian Textile Industry (CTCI), held between 14<sup>th</sup> November and 27<sup>th</sup> November 2010.

The following countries participated in the training: Ethiopia, Kenya, Malawi, Mozambique, Tanzania, Uganda, Zambia & Zimbabwe. Participants were drawn from cotton related sectors including: farmers, ginners, government agencies, financial institutions & trade bodies.

The overall objective of the south south cooperation activity was to learn from India and develop close development linkages on the progress of cotton research and the valorization of by products; how the farming sector is organized, how the farmers are organized and work together; how the ginning sector is organized and how it has been structured; how farmers and ginners cooperate for mutual benefit; how the Indian government supports the cotton sector; how the input system (fertilizers, chemicals, machinery, etc) is structured and organized; how cotton is being marketed and what tools are used for promoting Indian cotton; the potential to source agricultural inputs; market prospects for lint exports to India.

There were a lot of lessons that were learnt from the experience. ACTIF, represented the Executive Director, Rajeev Arora and the Trade Policy & ICT Manager Joseph Nyagari. Some of the key lessons that we learnt include:

1. The Indian cotton, Textile and Apparel sector is very well developed ranking well globally as well as being a leading contributor to the nation's economy.
2. The current level of success can be majorly attributed to their Mini Missions on cotton, which is basically a strategy that connects all the players across the value chain in the development of their cotton sector.
3. Intensive research on cotton varieties and supporting machineries is a key factor of the success of the cotton Industry in India.
4. BT cotton has been heavily adopted in India, occupying over 90% of the cotton growing areas.
5. Information flow is very well coordinated across the value chain from the farm level, upwards. Each player is informed about the cotton varieties, the cotton prices and the world situation.
6. The government, through the minimum support are able to regulate the prices and protect the farmers from being exploited which ensures all players reap maximum benefit.
7. The handloom sector is still in existence in some parts of India for empowering the rural populations to make a living from the local creations. The government heavily supports the sector.
8. The government also ensures that affordable credit is available to farmers and other sectors by ensuring that every bank sets aside a percentage of their lending to Agriculture and more specifically to the cotton sector

ACTIF was able to make introduce itself to some of the major support institutions in India including Bajaj Steel Ltd(Manufacturers of ginning machines); CIRCOT (The leading cotton research center in India); CIT (Confederation of Indian Textile Federation) an umbrella body for the textile industries in India, Gujarat State Cooperative cotton Federation (GUJCOT); Ministry of Agriculture, state of Gujarat; Arvind Mills which is a fully integrated textile mill and a leading denim manufacturer in India and in the World.

ACTIF also participated in various networking sessions whereby we interacted with potential input suppliers who are keen to support the African cotton sector. ACTIF was also able to meet with various accrediting agencies who are willing to work with the African industries to attain international standards for export.

All in all it was a very good experience for ACTIF and for all the participants that were present in the training. A more detailed report is under preparation that will give more information of the various activities.

#### **4.19 ACTIF Strategy review**

ACTIF successfully secured support from Danida's Fund of Business Advocacy Fund (BAF) to develop its strategy document.

A consultant was subsequently engaged to conduct the strategy review with all the stakeholders in order to chart the future direction of ACTIF in order to build sustainability and impact on the industry.

The final draft of the strategy document has been prepared and is awaiting ratification at the board level.

#### **5.0 Funding Summary (\$'s rounded)**

Approved Grant	754,472
Amount spent	583,920
Balance unspent	170,552

#### **6.0 Deliverables (those in document format)**

The following (attached to this report) are the deliverables available in 'document' format:

- a) Country meeting reports (Tanzania, Uganda, Mozambique, Kenya, Nigeria, Swaziland, Kenya, Malawi)
- b) ACTIF white paper
- c) Team building report
- d) Brussels Meeting report
- e) South South training report – Thailand
- f) COMESA business forum report
- g) AGRF report
- h) ACTIF launch and AGM reports
- i) CDE request from ACTIF
- j) ACTIF strategic plan
- k) ACTIF strategic & operating plan highlights
- l) Final report on the AGOA initiative in Washington
- m) Draft Country report on the impact of AGOA in Kenya
- n) Draft report on SSA competitiveness in relation to selected Asian countries
- o) Copies of the ACTIF Newsletters (Oct 2009 – Dec 2010)
- p) Financial report for the period of Sep 2009 - 2010